



July 2019



Glossary

PAGES

| | |
|--|-------|
| 1- INTRODUCTION | 4 |
| 2- WPI VALUES AND FOUNDATION | 4 |
| 3- QUALITY POLICY | 4 |
| 4- WPI VISION | 5 |
| 5- WPI MISSION STATEMENT | 5 |
| 6- COMUNICATION | 5 |
| 7- CONFIDENTIALITY | 5,6 |
| 8- REGISTRATION, REGULATIONS AND REGULATORY REQUIREMENTS | 6 |
| 8.1 ENVIRONMENTAL EXPECTATIONS | 6 |
| 8.2 ENVIRONMENTAL POLICY | 6,7 |
| 8.3 ENVIRONMENTAL COMPLIANCE ON SITE | 7 |
| 8.4 HEALTH AND REGULATIONS | 7,8 |
| 8.5 HEALTH AND SAFETY POLICY | 8 |
| 9- SUPPLIER SELECTION | 8 |
| 10- QUOTE REQUIREMENTS | 9 |
| 11- PURCHASE ORDERS-SCHEDULE PERFORMANCE | 9 |
| 12- PRODUCT QUALITY PLANNING (APQP) | 9,10 |
| 13- TOOLING EQUIPMENT | 10 |
| 14- NEW PRODUCT PROCESS LAUNCH READINES MEASURES | 10,11 |
| 15- SUPPLIER RISK ASSESMENT | 11 |
| 16- PTR-PDR-RUN AT RATE | 11 |
| 17- LAUNCH SUPPORT | 11 |
| 18- PRODUCTION EVALUATION RUN | 12 |
| 19- PART PRODUCTION APPROVAL PROCESS (PPAP) | 12 |
| 20- ENGINEERING CHANGES | 13 |
| 21- PRODUCT PROGRAM COST CHANGES | 13 |
| 22- BUILD OUT/ OBSOLESCENCE | 13,14 |
| 23- SERVICE-PAST MODEL REQUIREMENTS PRICING AND SUPPORT | 14 |
| 24- MATERIAL AND LOGISTICS | 14,15 |
| 25- RELEASES | 15 |
| 26- CUSTOMS | 15,16 |
| 27- EXPORT CONTROLS | 16 |
| 28- DEVIATION TO SHIP PRODUCT | 16 |
| 29- SHUT DOWN -START UP AUDITS | 16 |
| 30- SUPPLIER MONITORING | 16 |
| 31- COST RECOVERY POLICY | 17 |
| 32- CONTINGENCY PLANNING | 17 |
| 33- CORPORATE SOCIAL RESPONSIBILITY EXPECTATIONS | 18 |
| 34- DIVERSITY | 18 |
| 35- RESPONSIBILITY FOR PRODUCTS AND SERVICES PROVIDED | 18 |
| 36- WARRANTY | 18,19 |
| 37- LOT TRACEABILITY | 19 |

| | |
|--|-------|
| 38- IMDS----- | 19 |
| 39- ANNUAL TESTING TO FMVS 302----- | 19 |
| 40- COMPONENT QUALITY SPECIFICATIONS----- | 19 |
| 41- STANDARD ANNUAL ASSESMENTS PER CUSTOMER SPECIFIC REQUIREMENTS----- | 19,20 |
| 42- SHELF LIFE----- | 20 |
| 43- APPEARANCE APPROVAL – ATAR- AAR----- | 20 |
| 44- VALIDATION TESTING----- | 20 |
| 45- CONTAINMENT POLICY----- | 20 |
| 46- SPECIAL LABELING----- | 20,21 |
| 47- EXTERNAL SERVICES----- | 21 |
| 48- LAB AND TESTING SERVICES----- | 22 |
| 49- FAILURE TO MEET EXPECTATIONS----- | 22 |
| 50- QUALITY EXPECTATIONS NOT MET----- | 23 |
| 51- DELIVERY EXPECTATIONS NOT MET----- | 24 |
| 52- SUPPLIER LEVEL CLASSIFICATION----- | 24 |
| ATTACHMENT 1 FEES BREAKDOWN----- | 25,26 |



1. INTRODUCTION

1.1 PREFACE

The quality and delivery requirements defined herein are to be considered an addendum to the Purchase Order issued to all suppliers and does not replace or alter the terms and conditions or warranty arrangements. Supplier acknowledgement of a Purchase Order from Williamston Products Incorporation implies that all Quality and Delivery requirements are fully understood and accepted by the supplier.

1.2 The purpose of this Supplier Manual is to ensure that the expectations of Williamston Products Incorporated (hereby referred to as WPI) with its suppliers are clearly defined so that there can be an efficient and effective commercial relationship. [The contents of this document constitute the customer specific requirements of WPI which have been developed based on our customer’s expectations, internal guidelines and the latest edition of IATF-16949 & ISO 9001:2015.](#)

- It is assumed that all products and services provided to WPI meet or exceed the standards and specifications agreed to in Purchase Orders, Quotations, Drawings and all applicable requirements. Every attempt should be made by the supplier to clarify and document these requirements prior to the award of business. The customers of WPI often have specific quality requirements. These customer specific requirements will apply to suppliers as well and should be requested of us, if not known.

2. WPI VALUES AND FOUNDATION

[Accountability](#)

[Customer Satisfaction](#)

[Honesty](#)

[Integrity](#)

[Excellence](#)

[Value](#)

[Efficiency](#)

3. OUR QUALITY POLICY

World Class Quality meeting all customer expectations and quality objectives

Personal Commitment Satisfying all applicable requirements through all levels of the organization

Improving Continuously our Quality Management System because

“SUCCESS STARTS FROM WITHIN”



4. OUR VISION

“Be the first choice by being the best choice”

5. WPI MISSION STATEMENT

At Williamston Products, Success Starts from Within...

We are a manufacturing-centered organization with a mission of sustaining successful relationships with our partners.

- **We will provide to our Customers:**

- Outstanding quality
- Value
- On time delivery

- **We will provide to our Employees:**

- A safe Environment
- Rewarding work
- Opportunity for growth

- **We will provide to our Communities:**

- Employment opportunities
- An environmentally safe plant
- Involvement

6. Communication

- Suppliers are expected to maintain a free and open flow of communication with appropriate WPI personnel. The preferred language of communication is English.
- Advanced notification and approval are required for changes to products or services being supplied, packaging changes, manufacturing location changes, or significant process changes.
- This notification and approval of changes applies to all sub-supplier components, materials and processes as well.
- If defective or suspect product or services have been supplied, immediate notification to WPI must be provided so appropriate actions can be taken to mitigate the effects.
- Substandard products or services must be rectified by the supplier.

7. CONFIDENTIALITY

All information shared between WPI and its suppliers or potential suppliers, regardless of the level, form and nature received by the supplier from WPI shall be treated as confidential and for this reason the supplier is committed to:

- Not to disclose or share in any way information to third parties
- Only use the information to perform and execute the services required- expected to WPI

- Take appropriate measures within its organization to ensure confidentiality of WPI programs, products, processes, stipulations, accepting responsibility in the event of violation of the Confidentiality agreement.
- Supplier will be required to sign WPI NDA. (Non-disclosure Agreement)

8. REGISTRATION, REGULATIONS AND REGULATORY REQUIREMENTS:

Suppliers shall have in place processes to guarantee compliance with government restrictions and safety regarding substances with restricted or prohibited use, including purchased products or those relative to the production process.

It is the supplier's responsibility to ensure that all regulatory documentation (SDS, IMDS) is provided to WPI as required, it is also the supplier's responsibility to ensure this requirement are communicated to the complete supply chain.

ALL PRODUCTS AND SERVICES SUPPLIED MUST MEET ALL LEGAL, REGULATORY AND GOVERNMENTAL REQUIREMENTS REGARDING REGULATIONS, DOCUMENTATION AND SAFETY.

- WPI encourage its suppliers to be certified in IATF 16949 and ISO 14001.
- At a minimum supplier of direct material to WPI must be certified in ISO 9001:2015 (unless otherwise authorized by the OEM for the product you will or do supply for)
- For Chemical suppliers 3rd party registered to ISO 9001:2015 is a must.
- Suppliers that have ISO 9001 and are not IATF certified who's product ends at FCA need to be in line with FCA Customer Specific requirements and must provide documented evidence that the requirements outlined in the MAQMSR (Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers) latest edition (or a customer directed equivalent format) have been met. This document is available for your use through the FCA Global Supplier Portal – esupplier Connect via the QMS Information page.
- Change in Certification Status (such as suspension, expiration and re-registration) must be communicated to WPI Material Planner, Quality Engineer and Purchasing within 5 business days of change. – Upon receipt a copy of the latest registration certificate must be emailed to suppliemx@wpius.com

8.1 Environmental Expectations

WPI and its Environmental Management System are registered to the ISO 14001 standard. It is recommended that suppliers are also registered or working toward registration to this standard. At the very minimum, suppliers must comply with all applicable environmental legislation and utilize resources in an effective manner without adverse impact on health or the environment.

8.2 WPI Environmental Policy

Williamston Products is committed to the protection of the environment by implementation of an Environmental management System and will operate in such way as to:

Continuously improve our products, services and activities we have control over, to minimize or eliminate the impact to the environment.

Obey the laws, regulations, industrial standards and other requirements that may apply to our products, services and activities by continued commitment to compliance.

Prevent pollution, increase recycling and conserve natural resources as appropriate, through evaluation and improvement of our products services and activities.

Originate, document, review and maintain an Environmental Management System, training all employees

and communication to interested parties as required.

Utimize a system to set, track and monitor environmental objectives and targets associated with our significant environmental aspects.

To be environmentally responsible and responsive in our action to all stake holders, including the community we operate in.

It is our expectation that our suppliers support us in the realization of this policy in all interactions with us.

8.3 Environmental Compliance on Site

When suppliers are at one of our facilities, they must comply with all our environmental rules and regulations. These rules and regulations are posted on the “Visitor Pamphlet” which must be reviewed when signing in.

Some general requirements of suppliers to keep in mind are:

- Materials with hazardous components which are brought into the plant must have an SDS.
- Unused materials must be taken away by the supplier.
- Nothing will be poured down a drain.
- Appropriate Personal Protective Equipment (PPE) will be used.
- Evidence will be provided of appropriate licensing to handle:
 - Hazardous Waste
 - Dangerous Goods
 - Ozone Depleting Substances
 - Pesticides

The supplier must ensure that adequate environmental records exist and are on file at the appropriate WPI facility.

8.4 Health and Safety Expectations

The health and safety of our employees and suppliers is important. Activities that risks health or safety will not be tolerated.

Some other requirements are:

- Appropriate Personal Protective Equipment (PPE) will be used.
- Training Certificate for Forklift Operation (if forklift is used).
- Training Certificate for Aerial Work Platform including Fall Arrest Systems (if aerial work platform is used).
- Training Certificate for Overhead Crane Operation (if overhead crane is used).
- Evidence of appropriate liability insurance when working in our facility.
- Appropriate licensing when required for:
 - Electricians
 - Plumbers
 - Technical Standards & Safety Authority (TSSA) fuels

- TSSA Boilers and Pressure Vessels

Where required, the supplier must ensure that appropriate evidence of insurance, licensing or certification is on file at the appropriate WPI.

8.5 Health and Safety Policy

- *Our safety initiatives lead our team members through a comprehensive and effective safety system comprised of programs and practices to ensure a safety culture is in place that is consistent with company values.*
- *Safety does not just happen; it requires commitment throughout the organization. Our goal is an accident-free work environment, by subscribing to sound operational practices that will result in safe working conditions and efficient operations.*
- *Protection of our team members from injury or occupational disease is a major continuing objective. The company will make every effort to provide a safe and healthy work environment.*
- *All supervisors and team members must be dedicated to the continuing objective of reducing risk of injury.*
- *To support Legislation, the Internal Responsibility System will be utilized at WPI. Accordingly, all team members and management are held accountable for reporting and/or investigating concerns, incidents, and accidents.*
- *All supervisors and managers will make health and safety their number one priority. Each supervisor and/or manager is responsible to ensure that team members follow established safe work practices and procedures. Team members must receive adequate training in their specific work tasks to protect their health and safety. The entire management team will work to continually improve our health and safety policies and procedures.*
- *Every team member must protect their own health and safety as well as others; by working in compliance with safe work practices and procedures established by the company and by Municipal, Provincial/State, and Federal Regulations.*
- *It is of utmost importance that all parties keep health and safety in the forefront in every activity. The Company's commitment to the health and safety of our team members must form an integral part of the organization.*

“There is no task so critical that we cannot take the time to perform our work safely!”

- It is expected that our suppliers adhere to this policy while performing work at our site. Adherence to this policy is also recommended for all supplier facilities.

9. SUPPLIER SELECTION

- **All suppliers will have to fill a WPI Supplier Self-Assessment and obtain written approval from WPI to be considered as a Supplier partner to WPI.**
- **DIRECTED SUPPLIERS shall meet all requirements outlined within this manual and any additional requirements/agreements as dictated by the directing authority.**

10. QUOTE REQUIREMENTS

When WPI is considering a new product – program change, an RFQ will be generated and forwarded to the supplier.

Suppliers are expected to respond to WPI by the due date identified in the RFQ, with the documentation requested by the initiator.

Failure to meet expectations established within the RFQ including timing, cost breakdowns and similar detailed requests may result in new business hold or removal from the Approved Supplier List.

11. PURCHASE ORDERS- SCHEDULE PERFORMANCE

WPI shall send to the supplier a purchase order indicating, but not limited to product description, part number, need by date, engineering level, quantity, unit price, supply conditions, quality requirements, and delivery documentation

- Supplier must confirm acceptance of the purchase order within 48 hours. Otherwise, purchase order sent by WPI shall be deemed accepted
- If WPI is forced to halt its production lines due to a supply failure, then the supplier shall be held liable for the costs incurred both by WPI and by others
- Purchase Order Change Notices (CN) are to be issued upon receipt of an approved Change Notice and pricing.
- Each Purchase Order Change Notice will identify the reason for the change, CN reference number, Part number with suffix update (if applicable) and the change effective dates.
- Purchase Order Change Notices are issued but not limited to:
 - Piece Price Change
 - Part Number Change
 - Add/Delete Part Numbers
 - Supplier Location and or name change
 - Errors or omissions from last Purchase Order
- Suppliers PO will not be updated until WPI receives an amended Customer Purchase Order with referenced pricing.
- Tooling will not be paid until WPI receives payment from its Customer based upon successful completion and approval of Ppap.
- All applicable IMDS have been submitted and approved by WPI's customer.

WPI has the right to cancel or suspend any Purchase Orders In the event of the interruption of activity due to force majeure until activity is restarted.

12. PRODUCT QUALITY PLANNING (APQP):

All suppliers are required to produce Advanced Product Quality Plans to support the development of new products and/or services, in accordance with the guidelines in the latest revision of AIAG *Advanced Product Quality Planning and Control Plan (APQP)* manual.

- All suppliers are required to report the status of plan activities on a regular basis to the Quality Engineer using the APQP Status report.
- All suppliers are required to utilize the AIAG APQP format when indicated.
- During the initial phase of APQP the supplier may be required to complete and submit a Quality Risk Assessment (QRA) to highlight areas of concern and to enable an evaluation of the sourcing and program risks.

- It is the responsibility of the supplier to ensure that their subcontractors (sub tier suppliers) are meeting similar expectations and requirements.
- A Risk Mitigation Plan identifying the issues, corrective actions, responsible and target dates must be provided if any deliverables are in Yellow or Red.
- All suppliers are required to participate in the WPI APQP process, and provide a master timeline (showing critical events, timing for design, tooling, prototype, DVP&R, testing, PDR, Ppap, etc) as requested.
- Suppliers are to provide updated Supplier Team Feasibility Forms within TEN days of request.

13. TOOLING & EQUIPMENT (OWNERSHIP / MAINTENANCE)

- Tooling/die design and build must be done in a manner, which ensures that the manufactured tools will provide high quality parts throughout the life of the tooling. Suppliers are responsible for the maintenance of all dies/tooling, equipment and gauges. Those items shall be used only to produce the defined Customer products.
- All customer-owned tooling, equipment and gauges (at all tiers) must be identified and marked per customer requirements and remain permanently identified to reflect ownership. Tools shall be clearly marked with the same unique tool number as identified by the Customer on the Supplier Tool Record (STR) and the Tool Purchase Order (TPO).
- The method used to mark the tools shall be non-degradable and fireproof. Acceptable methods of marking include but are not limited to etching, stamping, embossing. Unacceptable (non-permanent) methods include stenciling, painting, inking, paper and or metal labels or tags, etc.
- The supplier will have to submit specific photographic evidence of compliance with tagging/marketing requirements and have a complete list describing ownership, unique identification number and location for all dies/tooling, equipment and gauges used in the process.
- Final payment of tooling will be contingent upon verification of proper identification and completion of customer PPAP approval.
- The PSW form (Part Submission Warrant) has a segment for submission results asking if “These results meet all design requirements” under it refers to “mold/cavity/process” here any tool, gage description and ID must be clearly described. Or refer to the attachment that has the list.
- Following notification to the supplier WPI reserves the right to complete on site verification for the tools owned by WPI or its customers.
- Any tool, gauge or equipment that is paid for by WPI- WPI’s Customer will be owned by WPI. Tools, gauges or equipment owned by WPI must be clearly identified with a permanent “Property of (WPI indicates)” tag.
- The supplier is expected to protect, maintain, and service all tools, gauges or equipment owned by WPI in their possession.
- Suppliers must complete and return a Receipt for all WPI owned tools, gauges or equipment.
- Photos of WPI owned tooling and equipment must be submitted with each PPAP package at launch.
- These requirements also apply to tools or equipment that our customer owns that are in the possession of the supplier (marking will be as directed by the WPI Program Manager)

14. NEW PRODUCT/PROCESS LAUNCH READINESS MEASURES

- WPI will monitor and manage selected suppliers from new product release through the start of production.
- New product/process launch readiness measures are implemented to ensure that suppliers can produce in accordance with the requirements of the Purchase Order.

- Suppliers are mandated to be on Pre-launch, Production Containment for a minimum of 90 days past SOP, or for a determined amount of product or shipments set forth by WPI QE in accordance with end CSR's (Customer Specific Requirements).
- Suppliers must obtain written approval from WPI Quality Engineer to exit launch containment.

15. SUPPLIER RISK ASSESSMENT

- WPI will conduct Supplier Risk Assessments to determine which supplier's products are to be identified as "key suppliers" and will be tracked by Corporate Quality.
- This shall include all suppliers of raw materials, components, services and packaging that may impact the quality of WPI finished products, or our ability to meet Customer Specific Requirements.

16. PRODUCTION TRIAL RUN (PTR)/ PRODUCTION DEMONSTRATION(PDR)/ RUN - RUN @ RATE

- All suppliers are required to perform a PTR-PDR (Run at Rate) prior to launch. A PTR-PDR is performed to verify that a supplier's actual production process can meet program volumes at an acceptable quality level.
- This PTR-PDR shall be performed by the supplier and included with the PPAP and/or APQP documentation, if requested by the using plant and/or QE.
- The supplier's process must be able to produce 100% of the quoted volume PLUS 20% INCREASES with production tools and equipment, with normal plant manning, and in the quoted work patterns.
- The QE may perform on site Production Trial Runs when indicated.
- Circumstances that may lead to QE PTR-PDR include: new supplier to WPI, new process to a current supplier, location shift from one site to another, for complex components, upgraded tooling, increased production requirements and/or previous history with the supplier or the component.
- When necessary, QE will schedule the onsite Production Trial Run with the supplier's Senior Site Manager. Purchasing shall be contacted in case they wish to send a representative as well.
- A complete Process Sign-Off (PSO) may be performed in conjunction with the PTR-PDR a PSO will be performed when required by a Customer, when the program is high risk to WPI, if the supplier has been deemed high risk on the program or when initial sample parts indicate potential manufacturing issues.
- In addition, a PSO will be performed when the supplier is new to WPI, for complex components, when the process is new to the supplier, if a location shift is made in the production facility or if previous history with the supplier and/or component warrants it.
- **Capacity Planning accountability per PTR/ PDR/ Run at rate:** Suppliers must maintain adequate capacity to be able to provide the quoted annual volume (proven with an accepted PTR/PDR/ Run at rate) of products as released. Forecasted requirements will be provided for planning purposes, but purchase commitment is only for firm releases. When requested, suppliers will need to show evidence of available capacity.

17. LAUNCH SUPPORT

- During any program launch at a WPI or WPI Customer production facility, selected suppliers may be required to provide on-site representation at WPI, and/or the final customer if requested.
- The supplier's launch support representative(s) must be knowledgeable, capable and empowered to make decisions.
- When launch support is requested, the representative must stay in place until released by WPI.

18. PRODUCT EVALUATION RUNS (PER)

- PER are required to assess the feasibility and functionality of upcoming design changes to ensure there is no negative impact to mating components, and that performance requirements are validated.
- Product shipped for the purpose of a PER requires coordination and approval from the Product Engineer.
- PER samples must be identified with a 4 ½ x 5 blue label outlining the applicable PER number Description and attention to the person that requested – approved the PER.

19. PRODUCTION PART APPROVAL PROCESS

- Suppliers are required to submit and obtain full approval from WPI per the latest requirements of the AIAG *Production Part Approval Process (PPAP) Manual*.
- Sample submissions are to be Level 3 unless otherwise specified.
- PPAP documents are to be submitted to WPI IMDS & PPAP COORDINATOR in compliance to the PPAP Checklist emailed with the Ppap request. PPAP documentation must be provided in the latest revision of the AIAG PPAP forms or WPI's end customer forms.
- Electronic prints utilized for PPAP submission must be sent in pdf format.
- This may include AAR samples when applicable.
- Gauge R&R over 10% must be approved by the WPI Quality Engineer prior to PPAP approval.
- Six (6) certified samples (per tool/cavity) with the dimensional report are to be submitted to each using facility for a fit and function approval, unless otherwise waived by WPI. In addition, boundary samples shall be retained by the supplier.
- Supplier PPAP documentation must be no more than Twelve months old. PPAPs over Twelve months old are to be updated upon request by WPI.
- Material certifications provided with the PPAP package shall be less than Twelve months old, unless specifically waived by WPI QE.
- Suppliers must provide evidence of materials, substances, and recyclability data submission (IMDS) with PPAP submission. PPAP approvals will not be granted for packages that do not contain this information.
- Suppliers are responsible for cascading these requirements and collecting data from their respective sub-suppliers.
- The supplier of an incorrect IMDS shall be responsible for any and all costs related to the inaccurate submission, including any warranty from the end use customer due to the use of prohibited and restricted materials.
- Annual layouts and material testing are required to verify continuing conformance using certified gages and/or equipment (GR&R). This data is to be kept on file at the supplier location and made available to WPI personnel upon request.
- At minimum, each supplier shall provide a new warrant, new dimensional certification, and new material certifications as a yearly validation, upon request from WPI PPAP & IMDS Coordinator or the QE from the receiving plant. This shall be provided within 4 weeks of therequest.
- All PPAP documentation, including material certifications and pertinent test data, must be submitted in English.
- WPI or OEM owned tooling must have an asset tag attached, showing "Property of ___". Verification of this should be provided by pictures of the asset tags included with the PPAP package.
- Sub-suppliers who are providing material to WPI that will be sold as finished goods by WPI to end use customers shall meet all PPAP requirements of the end use customer.

20. ENGINEERING CHANGES

- A Change Notice (CN) issued by WPI authorizes the supplier to make an Engineering change to a product – IT DOES NOT authorize the supplier to ship the change.
- Unless otherwise notified, level 3 is the default PPAP submission level required by WPI.
- Only an approved PSW, WPI signed waiver per end customer or OEM issued deviation-alert authorizes the supplier to ship to that engineering change notice.
- An email communicating break point to WPI QE and Materials planner shall be sent along prior first shipment.
- 1st Shipment of new CN shall be properly identified with CN #- Alert – Waiver in a 4 1/2 x 5 Orange Label in each container-box -roll, including part number with suffix change, Ppap approval date, description of change, and type of change “running change or coordinated change”
- In the case where the supplier needs an engineering change the supplier must notify WPI Quality Manager, Program Manager, Purchasing Manager at least 90 days before the planned change, WPI’s Customers hold WPI responsible for changes made at our facility but also for managing all changes needed by our supply base right down to the raw material suppliers; Meaning ALL TIERS throughout the supply chain MUST have a system in place to ensure we are notified **90 days in advanced** to allow WPI to request for the OEM authorizations, review the CSR’s and understand if any PV testing is required to submit the documentation and obtain appropriate approvals for any of the following changes:
 - Change in part processing (including changes in test/inspection methods)
 - Change in sub supplier, or material source change
 - Parts produced at an additional location.
 - Potential supply capacity issues- supplier did not meet release requirements or is having difficulty obtaining parts from their suppliers or meeting the ramp up schedule
 - Tooling capacity change
 - Tooling inactive greater than one year
 - Tooling refurbishment/replacement
 - Tooling transfer (resource)
 - Supplier Name change

21. PRODUCT / PROGRAM COST CHANGES

- WPI will not accept any cost increases due to process – oriented developmental changes that are necessary to meet design requirements, this includes any error mistake proofing necessary to qualify product after a quality spill.
- If WPI or its customer initiates product – program changes that provide a cost reduction a price reduction is expected.

22. BUILD OUT/ OBSOLESCENCE

- The supplier shall have detailed procedures in place defining the responsibilities and methods to be used in Materials to manage build outs and engineering changes to minimize obsolescence.
- WPI shall be responsible to purchase raw material and finished goods that the supplier has been authorized to purchase and produce, according to the Material and Fabrication Authorizations. The supplier shall have fifteen days from the end of production to file the obsolescence claim with WPI, unless otherwise indicated by the OEM terms for the final obsolescence claim. The supplier shall submit their claim a minimum of three days prior to the WPI customer deadline, in order that WPI have the necessary time to validate the claim and verify the totals prior to submission of the claim to the WPI customer. It is

the responsibility of the supplier to verify the obsolescence claim terms with the appropriate person in WPI Materials, to ensure that their claim is submitted within the appropriate timelines for payment.

- WPI Materials Group, and/or their appointed representatives, may audit the obsolete material at the supplier, to validate the claim. This material must be put in an area that allows complete access to all containers, so that it can be readily counted. Failure to make the material available for count may negate the supplier's obsolescence claim.
- The supplier shall receive payment for the obsolescence claim, once WPI has received payment from the end customer.

23. SERVICE – PAST MODEL REQUIREMENTS, PRICING AND SUPPORT:

People who own vehicles expect to have replacement parts available for service, at a reasonable price, for the life of their vehicle. In order to satisfy this requirement, WPI must agree to sell service parts to the OEM at production piece price for up to 15 years after the original date of manufacture of the vehicle. To make this possible requirement are as follow:

- Service parts must be supplied at production pricing with no additional set-up charges for a period of 10 years after final production build out. Thereafter, parts must be supplied at agreed to pricing, for a minimum of fifteen years. The supplier shall be responsible for service for the interval established by the OEM to the Tier One and/or WPI, should that exceed the fifteen-year time frame. The supplier shall maintain all PPAP data regarding parts, until the service part interval plus one year has passed.
- An updated IMDS submission may be required for service parts, if requested by the end use customer.
- All suppliers to WPI are required to supply parts for past model service in five (5) weeks or less from receipt of purchase order.
- The production supplier must accept service life responsibility including, but not limited to, maintenance and storage of tooling, process control plans, operator instructions, warranties, etc., for the running of all service parts. The production supplier may be responsible to PPAP service parts if required by the final customer, or if non-production tooling is used to provide the service material.
- Upon completion of the required service term, a request must be made through Corporate Purchasing to obtain authorization to dispose of tooling from the OEM. The supplier will be responsible for all storage costs pending resolution with the OEM. Under no circumstances is tooling to be destroyed or disposed of prior to **documented** OEM authorization.

24. MATERIAL AND LOGISTICS

All products received must be labelled with an AIAG Format label that includes the WPI, lot traceability information, and date of manufacture or a specific supplier label as per WPI requirements. **All labels should be approved by the WPI receiving plant prior to PPAP approval.**

- Delivery Communication suppliers are expected to maintain proactive and open communications with the appropriate personnel at WPI. This includes, but is not limited to:
 - The ability to receive EDI releases conforming to AIAG guidelines.
 - The ability to send Advanced Shipping Notification's (ASN's) when requested.
 - Proactive notification of potential supply issues.
 - After hours materials contacts when necessary
 - Changes to logistics plans.
- Packaging Approval request must be submitted with or prior the PPAP and signed by WPI Quality and Materials representative prior the start of production.
- General Shipping Conditions-All trailers are expected to be clean and in good usable condition, any trailer damage shall be reported to the carrier prior loading product – picture taken and sent to the material

planner to assess the risk if any.

- Any damage to the load due to faulty carrier equipment or damage while in transit shall be reported to the supplier by the receiver and addressed through an insurance/damage claim filed by the responsible contractor of the carrier.
- Returnable container inventory must be controlled by the supplier if any damage must be reported to the material planner to adjust accordingly.
- Alternative packaging must be fully approved by WPI Quality and Materials previously included on the PPAP.
- All materials must be shipped in date produced order using FIFO (first in first out) Inventory management system. To assist in identification and stock rotation WPI recommends the use of color code labels or stickers on every container/roll with the month of manufacture clearly placed.
- Shipping to release Suppliers are expected to provide products and/or services on time, in the correct quantity and properly identified preventing RDR's
- Shipping documentation – Customs- NAFTA Certificate of Origin All suppliers shipping product across the US / Mexico / Canada border are required to provide a NAFTA Certificate of Origin at least annually
- Shipping Communication -ASN

25. RELEASES

- Failure to receive a release does not constitute reason for short shipment. When a supplier does not receive a release on time, the supplier shall notify the WPI Site Materials Manager and planner; while using the previous week's release and adhering to the same dates required. The supplier shall review the new release when received and notify WPI if there is any chance that the release cannot be met.
- Suppliers are expected to meet the lead-time CUM required. Reduction in CUM required within the lead time will not be accepted by the customer as a valid reason to **short ship**.
- WPI **will not be responsible** for any storage charges due to decreased releases from our customer and may not accept any over shipments. WPI will continue to work with the customer and supplier to resolve release volatility issues.
- If non-delivery, delayed deliveries or short shipments are anticipated, ALL suppliers must immediately notify the Materials Manager and planner of the receiving location. Supplier concerns regarding meeting volume increases must be communicated to the site Materials Manager and planner **within 24 hours** of receipt of the release.
- The supplier must be able to manage WPI releases. Releases will be sent weekly and will go out as far as our customer releases and will clearly define Fabrication and Material Authorization. Releases will show cumulative requirements and must be reconciled jointly between the supplier and customer weekly. The supplier will provide proof of delivery (shipping documents) to reconcile CUM's. The supplier is responsible to inform WPI of any known CUM discrepancies.
- Suppliers are expected to be EDI capable to receive electronic releases

26. CUSTOMS

- All shipments shall be accompanied by the proper customs documentation to ensure efficient, on time, border crossing. Shipping documents (packing slip, bill of lading, commercial invoice) will reference WPI part number and description. If documentation is missing or incomplete, the supplier shall assume all subsequent costs.
- All customs documentation, including commercial invoice, must be emailed or faxed to WPI's Materials Planner (and broker if specified by the receiving plant) when load leaves supplier's dock.
- If further information is required, the supplier shall contact the WPI Materials Manager and planner at

the receiving location.

- Every January, supplier will supply NAFTA Certificate of Origin to the WPI Materials Planner (and broker if specified by the receiving plant) for all materials supplied.

27. EXPORT CONTROLS

Suppliers who ship across international boundaries must have systems in place to ensure load security. Formal programs such as United States' Customs -Trade Partnership Against Terrorism (C-TPAT) or an equivalent should be used where possible. WPI may mandate such a system when required.

Where requested, suppliers (and their supply chain) must provide in a timely manner, Conflict Minerals reports as required as part of the US Dodd-Frank legislation. Additional information regarding Conflict Minerals can be found at <http://conflictminerals.aiag.org>.

Also, when legal sanctions exist for companies or individuals, suppliers must ensure they comply.

28. DEVIATION TO SHIP PRODUCT

- Suppliers shall not make any changes in part design, material, manufacturing process or packaging without prior approval from WPI and the end customer.

29. SHUT DOWN/ START UP AUDITS

- During periods of time when the plant is to be idle for a period that exceeds regular and Holiday weekends, the supplier is expected to complete a shutdown/start up audit.
- Using a checklist with adequate validation activities during both shutdown and start up to prevent quality spills and delivery failures.

30. SUPPLIER MONITORING

- INCOMING PRODUCT QUALITY – WPI does not perform Incoming Inspection as it is our expectation that all product received is 100% good.
- In the cases where due to nature - history of the product and its risk WPI will perform Incoming inspection in flag basis and performance.
- For chemicals each shipment - lot will be checked for FIFO and shelf life, product needs to be received within 4 weeks of manufacture, must have a “Certificate of analysis”, COA can be sent via email to suppliermx@wpius.com referring to lot and shipper number or it can be sent with the packing slip.
- CORRECTIVE ACTION RESPONSE (see the table below for not meeting expectation)
- SUPPLIER VISITS whether is a courtesy or a mandatory visit to address an issue, advanced notification and agreement is required so WPI personnel can confirm their availability or make alternate time arrangements- “drop by visits” are not recommended as you may be turned away. Contact your QE and or materials planner directly to make an appointment.
- WPI ON SITE VISITS to suppliers will be scheduled as necessary per Supplier performance – risk.
- THIRD PARTY SORT PROCESS Must be initiated whenever defective material needs to be purged or suspect stock needs to be certified or reworked. Supplier is responsible to coordinate sort instructions and certifications to minimize disruption to WPI. The 3rd party sort company must be previously approved by WPI.
- SUPPLIER PERFORMANCE SCORE CARD – WPI will evaluate its suppliers monthly with the following breakdown: 35% Quality, 25% Response, 35% Deliveries, 5 % Warranties; The Score card will be emailed to the contacts on file on the second week of each month.

31. COST RECOVERY POLICY

Suppliers are liable for all costs incurred by WPI and end use customers when the cause is the supplier's responsibility and are outlined below:

- **ALL SUPPLIERS** Charges will be in USD

- **SUPPLIER CHARGE BACK FEES AND POLICY**
 - **ADMINISTRATIVE CHARGE** - Each Material Concern Report (MCR) and or Receiving Discrepancy Report (RDR) has an administrative charge of \$200 (US) covering the collection of data and documentation of the quality incident/spill or Delivery discrepancy.
 - **FOR OTHER FEES AND BREAKDOWN OF CHARGES** - See attachment 1

- **EXAMPLES OF COSTS THAT CAN BE CHARGED BACK TO THE SUPPLIER:**
 - Rework/Repair/Scrap Supplier Fault
 - Dispositioning of Supplier Fault Scrap
 - Premium Freight Costs including Air Charter if Required
 - Overtime to Avoid Production Interruption
 - Production Down Time for WPI and its End Customer
 - Sorting of Suspect Material In-House, at Customer Location or Third Party and Contractor Costs
 - On-line Containment
 - Tear-Down (Minor, Major, and Complete) and Outside Lab Testing
 - Customer Returns Including Hourly Charges, Transportation and On-Site Inspection Services
 - Customer warranty charges directly tied to the supplier's products.
 - Meeting Customer Environmental Reporting and Documentation Requirements
 - Receiving Inspection, Material Handling and Freight Associated with Scrap and Replacement Material

- **Transportation Waiting Charges, trailer storage charges**

32. CONTINGENCY PLANNING

Suppliers must have contingency plans to manage continued flow of products and services for issues such as:

- Utility interruption
- Labor shortage
- Key equipment failure
- Supply disruptions
- Cyberattacks
- Natural Disasters, etc.

These plans must allow for uninterrupted product supply when there is a loss of utilities (electrical, water, phone, internet, etc.).

33. CORPORATE SOCIAL RESPONSIBILITY EXPECTATIONS

All companies not only exist in a physical space, but they also exist in communities of people. As such, all WPI and its suppliers must conduct business while recognizing and dealing with ethical issues and foster a culture of honesty and accountability, deter unethical behavior and promote fair and accurate disclosure and financial reporting. Further, WPI and its suppliers should not be or appear to be subject to influences, interests that conflict with our core businesses; apply with all laws, rules and regulations applicable to their activities and adhere to high ethical standards. In addition, when conducting business with companies located outside of the U.S., suppliers must comply with the U.S. Foreign Corrupt Practices Act which prohibits giving anything of value to officials of foreign governments in order to obtain or retain business. WPI and its suppliers are not permitted to engage in bribery, kickbacks, payoffs or other corrupt business practices. WPI and its suppliers must fully comply with all applicable U.S. export, customs and trade control and regulations, licensing requirements and other relevant U.S. and international laws. Lastly, any WPI personnel and their suppliers have protection from the Whistleblower Protection Act of 1989 to report what they believe to be illegal or dishonest business dealings without fear of exposure or retaliation. In order to do this, it is recommended that suppliers develop and implement a corporate social responsibility position that is communicated throughout their organization.

- **Corporate Social Responsibility Policy**

- As part of the WPI Corporate Social Responsibility program, we require that suppliers introduce and implement equivalent principles and communicate them throughout their organizations. Further guidance can be obtained through the AIAG.
- WPI also requires that each supplier evaluate their own Corporate Social Responsibility program using the AIAG Supplier Sustainability Self-Assessment and provide a copy of the “Scoring” tab to their Buyer. This information will be used to measure and help verify responsible practices in our supply chain.
- Suppliers, who fail to respond, or have significant gaps in expectations, may be subject to onsite audits of their Corporate Social Responsibility Program systems and practices.

34. DIVERSITY

WPIs staff has much diversity. Together we continue to build an inclusive culture that encourages and supports collaboration from all of our employees. It expands our capabilities and connects us closer to our customers and community. It is expected that the workplaces of our suppliers reflect the diversity of the areas in which they operate as well. To enhance diversity in the supply base, WPI requires that all suppliers who qualify as Minority or Women owned businesses report this status to WPI Purchasing, where appropriate, will actively source from these suppliers. Diversity training is encouraged within all supplier’s organizations.

35. RESPONSIBILITY FOR PRODUCTS AND/OR SERVICES PROVIDED

Suppliers are responsible to ensure that the products and services provided to WPI meet the specifications and requirements for which they are offered. All suppliers are expected to stand behind the products and services they provide and correct any issues that arise due to normal use or application for which the product or service was provided.

36. WARRANTY

Products and services provided are expected to perform per the specifications and requirements, for the life

of the product or service. It is expected that premature failure attributed to supplied products or services would be analyzed, root cause established and corrected by the supplier, with the direction of the appropriate personnel at WPI. An 8D format is provided to the suppliers for use and closure of the issue within 30 days, unless extension is given by the appropriate plant Quality Engineer.

A solid verification and prevention strategy should be used to mitigate the risk of warranty issues.

37. LOT TRACEABILITY

Component – Raw material must be identified so that lot traceability can be maintained. This would include proper labelling for every product, component deliver to WPI.

38. INTERNATIONAL MATERIAL DATA SYSTEM (IMDS)

Suppliers must complete the necessary requirements in IMDS. This information must be complete, correct and submitted in a timely manner as requested by the WPI PPAP & IMDS Coordinator contact. IMDS is required for PPAP, and PPAP is a trigger for significant financial payments, so delays will not be tolerated.

39. ANNUAL TESTING TO FMVSS 302

Materials must pass the requirements of the Federal Motor Vehicle Safety Standard 302 - Flammability of Interior Materials. Testing must be conducted annually as part of the annual validation and supplied to WPI Ppap and IMDS Coordinator.

40. COMPONENT QUALITY SPECIFICATIONS

Component suppliers are expected to meet the following expectations for quality:

- **DRAWINGS / SPECIFICATIONS / REQUEST FOR QUOTE**

Each component must be adequately defined for fit, function, and performance. This definition should be on a product drawing specifying dimensions, tolerances, critical features, functional, appearance and performance specifications. During early sourcing and development some of this data may be found on a Request for Quote but should be transferred to the product drawing prior to PPAP. All drawings must be reviewed and approved by the supplier and WPI. Suppliers must submit, and have approved, any limit samples required.

41. STANDARD ANNUAL ASSESMENTS PER CUSTOMER SPECIFIC REQUIREMENTS

Suppliers must comply with OEM Customer Specific Requirements as they apply to the product being supplied. Suppliers unsure of which OEM Customer Specific Requirements apply to them should consult their WPI Quality representative.

Some examples of these requirements are:

- AIAG CQI-09 Special Process: Heat Treating Assessment
- AIAG CQI-11 Special Process: Plating System Assessment
- AIAG CQI-12 Special Process: Coating System Assessment
- AIAG CQI-15 Special Process: Welding System Assessment
- AIAG CQI-17 Special Process: Soldering System Assessment
- AIAG CQI-23 Special Process: Molding System Assessment
- AIAG CQI-27 Special Process: Casting System Assessment

- Restricted and Reportable Chemicals
- Early Production Containment

Additional Customer Specific Requirements for IATF 16949 subscribing OEM's can be found online at <http://www.iatfglobaloversight.org>.

42. **SHELF LIFE**

Components with a shelf life must be clearly identified as such by the supplier. A date of manufacture or expiry date **must be clearly printed on the label**. Products shipped must have enough life remaining to be consumed in the normal course of business. The supplier must work with the WPI Buyer to ensure release schedules consider shelf life.

43. **APPEARANCE APPROVAL**

Suppliers will work with WPI for ensure timely OEM appearance approval when required (ATAR – AAR).

44. **VALIDATION TESTING**

Suppliers are responsible to ensure the products they supply are adequately validated. This includes testing to all agreed specifications. All validation testing must be complete prior to PPAP or a written deviation is required. **Annual Validation**, including dimensional layout, may be required by the OEM or WPI Quality Engineer. Annual validation will be documented on the suppliers Control Plan. Date of PPAP (or interim) approval will constitute the start time for the annual requirements.

45. **CONTAINMENT POLICY**

All suppliers are required to have a containment process to provide additional verification-outside normal processes, prior shipment. The process must include identifying containment actions, isolating concerns, data collection and implementation of Corrective Actions.

Green dot sticker must be placed near each container label, to indicate the product has been inspected / tested to be 100% defect free. Exit criteria will be 3000 parts or 3 consecutive clean shipments whatever is greater.

- **Early Product Containment**

It is an expectation that component suppliers conduct product containment (100% inspection) for a minimum of 3000 pcs or 90 production days of defect free product, whichever comes first. This is to validate production processes for stability and capability during the start of production and prevent flow out of issues.

46. **SPECIAL LABELING**

To increase the visibility of products that have a special condition, it is required that the following additional labelling be used.

- **All New Products**
 - Identified with a GREEN label or sticker for 3000 pieces or 3 shipments, whichever is less.
- **Product being contained for an issue**
 - Identified with a YELLOW label or sticker until a permanent corrective action is in place and verified.

There should also be a 3x5 label on each container with Sorted for “defect” and clean point date.

- **New Level Products**

- After the implementation of an engineering change the supplier must identify the new level product with a BLUE label or sticker for 5000 pieces or 3 shipments, whichever is less. There should also be a 3x5 label on each container with brief change description.
- The WPI quality representative may increase these quantities or add additional identification requirements when situations warrant.

47. EXTERNAL SERVICES

- **Service Providers**

- Any outside company working on WPI property is a service provider. Lab and Testing services also fall into this category. Suppliers providing other commodities may also be considered service providers if they are providing support for their products on site.

- **Sign In**

- All service providers must sign in and wear a visitor badge when on site. After hours sign in can be arranged through the WPI contact but must still occur.
- When signing in, it is expected that the “Welcome Letter” posted at reception is read and complied with.

- **Health & Safety and Environmental Compliance**

- When working at a WPI site it is expected that all health and safety and environmental rules be followed. These include legal requirements, best practices and specific rules as outlined in the Welcome Letter.

- **Evidence of Compliance**

To ensure compliance WPI requires evidence of compliance to a number of legal and regulatory systems. Before being granted access to the plant floor, Service suppliers must provide evidence for:

- **Proof of liability insurance**

As appropriate, one or more of the following may also be required. This list may not be inclusive to the applicable jurisdiction but should be used as a reference for what may be required.

- **Evidence of qualification for:**

- Technical Standards Safety Association License
- Ozone Depleting Substances Handling License
- Lawn Chemicals handling license
- Electricians license
- Plumbers license
- Crane Operation Safety Certificate
- Forklift Operation Safety Certificate
- Elevated Work Platform Safety Certificate
- Certificate of Approval (Waste Handling & Disposal)
- Hazardous Waste Information Network (HWIN) Registration
- Confined Spaces Safety Certificate

Evidence should be provided by the supplier proactively. Employees of the supplier may be denied access to

the WPI facility if appropriate evidence is not on file.

48. LAB AND TESTING SERVICES

All outside lab and testing suppliers must be acceptable to the OEM and/or be accredited to ISO/IEC 17025 or national equivalent (see [IATF 16949 Section 7.1.5.3.2 External Laboratory](#)). This accreditation along with a lab scope is required to be kept on file at WPI.

49. FAILURE TO MEET EXPECTATIONS

- Failure to meet the expectations outlined in this document can lead to a significant disruption to the operations of WPI and potentially to our customers as well. These disruptions stress the resources of our company and drive additional costs and waste. It is in everyone's best interest to minimize or eliminate these disruptions for maximum efficiency and customer satisfaction in the global marketplace.
- When expectations are not met, additional costs are incurred to manage and rectify the situation. Suppliers will be responsible for these costs. Attachment 1 – Fee Schedule contains a list of standard costs for potential situations.
- Suppliers will be monitored for compliance to expectations and may be asked to participate in improvement activities when negative trends exist. Failure to comply with expectations could potentially lead to de-sourcing of a supplier.
- The processes that will be followed by WPI when expectations are not met will general fall into two categories, quality or delivery, as outlined below.

50. QUALITY EXPECTATIONS NOT MET

When quality issues are identified in supplied products or services, WPI will follow its Material Concern Report (MCR) Process. The Supplier is expected to participate as shown below.

The general outline of the MCR process is as follows:

| Timing | Steps | Responsible |
|-------------------------|---|---|
| Within 24 Hours | Issue identified. | WPI or Supplier |
| | MCR opened. | WPI |
| | Supplier notified. | WPI |
| | Suspect product identified and segregated. | WPI and Supplier |
| | Supplier manages sort and/or replacement of rejected material. Sends 4D | Supplier |
| Within 72 Hours | Returned Materials Authorization (RMA) and shipping instructions must be provided at this time for defective product if not WPI will proceed with the debit and disposition at our discretion (additional charges may apply) | Supplier - WPI |
| Within 5 Business Days | Root cause identified. (If 5 days are not enough supplier MUST request an extension to prevent late charges) | Supplier (with WPI assistance if necessary) |
| | Plan for permanent corrective and preventative action developed. | Supplier |
| Within 30 Business Days | Corrective action implemented and verified. | Supplier |
| | Preventative action in place. | Supplier |
| | Issue closed. | WPI |
| | Associated Cost impact assessed, and debit memo created and sent. | WPI |

51. DELIVERY EXPECTATIONS NOT MET

When delivery issues are identified, WPI will follow its Receiving Discrepancy Report (RDR) Process. The Supplier is expected to participate as shown below.

- **The general outline of the RDR process is as follows:**

| Timing | Steps | Responsible |
|-------------------------|---|---|
| Within 24 Hours | Issue identified. | WPI or Supplier |
| | RDR opened. | WPI |
| | Supplier notified. | WPI |
| | Supplier manages short term correction of issue as required. | Supplier |
| Within 5 Business Days | Root cause identified. (If 5 days are not enough supplier MUST request an extension to prevent late charges) | Supplier (with WPI assistance if necessary) |
| | Plan for permanent corrective and preventative action developed. | Supplier |
| Within 30 Business Days | Corrective action implemented and verified. | Supplier |
| | Preventative action in place. | Supplier |
| | Issue closed. | WPI |
| | Cost impact assessed and debit notice created and sent. | WPI |

52. SUPPLIER LEVEL CLASSIFICATION:

- **LEVEL 1 SUPPLIER IN GOOD STANDING – RELIABLE SUPPLIER**
- **LEVEL 2 SUPPLIER NOT IN GOOD STANDING – SUPPLIER NOT RELIABLE**

A SUPPLIER SCORE BETWEEN 0 AND 69 IMMEDIATELY PLACES THE SUPPLIER ON LEVEL 2

WHEN QUALITY AND DELIVERY EXPECTATIONS ARE NOT MET FOR 3 CONSECUTIVE MONTHS, WPI WILL SEND AN OFFICIAL LETTER REQUESTING AN IMMEDIATE ACTION PLAN

FAILURE TO EXIT LEVEL 2 WITHIN THE DETERMINED TIME FRAME BY WPI MAY RESULT ON DESOURCE OF THE PROGRAM-PRODUCTS WITHOUT ANY LEGAL RESPONSABILITIES TO WPI.

Suppliers are expected to follow a disciplined problem-solving approach [using the 8D format the WPI contact will provide along RDR or MCR](#). Documentation of corrective actions must be email to the requestor on the time frame indicated. [Charges from a WPI customer for Supplier responsible delivery issues will be passed on to the supplier, in the addition to other non-compliance costs or fees levied by WPI.](#)

Attachment 1 FEES BREAKDOWN

| | | |
|----|--|---|
| 1 | <p>PPAP submission incorrect / incomplete due to supplier.</p> <p>a) Supporting documentation does not meet submission level requested.</p> <p>b) Part /data not reflecting Engineering drawing/ standards/ specifications-requirements.</p> <p>c) Late Ppap submission (past due) without written authorization.</p> | <p>1st. incident - \$250.00</p> <p>2nd. incident - \$500.00</p> <p>3rd. incident - \$1000.00</p> |
| 2 | Appearance Approval - Failure to meet OEM specifications. | \$250.00 plus any associated cost. |
| 3 | Unauthorized shipments related to Engineering changes or process changes (ECN's-FR- IAA - CN) without WPI's written authorization via email, waiver, PSW. | \$5,000 fee for shipping parts without WPI written authorization plus associated cost from the discrepancy. |
| 4 | Failure to submit Annual Validation Package on the requested level by the due date and meet Eng. Specifications per Drawing. | \$250.00 first day \$50.00 every day after |
| 5 | No prior notification & acknowledgement of under, over or late shipment which causes WPI to operate outside of our current normal procedures to manage material inventory. | \$250.00 per occurrence plus any cost related to WPI downtime - associated cost. |
| 6 | <p>a) Shipping documentation discrepancies (No ASN, ASN errors incorrect of missing information)</p> <p>b) Receiving discrepancy (quantity, mislabeled /mix container, Mixed Parts, Partial Boxes, RDR's, Additional Labels, FIFO not followes, Damaged Material, expired material</p> | <p>a) 75.00 Issue</p> <p>b) 200.00 Issue</p> |
| 7 | Premium freight monitoring/process fee. | \$250.00 per occurrence |
| 8 | <p>Investigate/Tear-down of any non-conforming components, or extra material handling due to third party sort, by WPI designated personnel. Material Planner-traffic Analyst support to resolve material issues.</p> <p>Material transportation/ movement- 2 hours minimum charge plus any associated Cost of affected suppliers required.</p> | \$50.00 /man hours |
| 9 | Break of clean point of a corrective action, certified shipment | \$ 500 plus any associated cost. |
| 10 | Non Conformance- Quality issue found at any customer or OEM during assembly or product program audit. | \$1,000.00 plus associated OEM fees and associated costs |

| | | |
|----|---|---|
| 11 | Downtime of production lines (WPI and or customer) caused by a supplier issue. | \$500.00 fee plus associated cost |
| 12 | Failure to provide technical support for problem resolution or sorting as requested. | \$ 500.00 fee |
| 13 | In-plant processing fess for all rejection notices including MCR's , (Material Concert Report) , RDR's (Receiving Discrepancy report) & Failure to provide RMA on due date. | \$200.00 fee per incident |
| 14 | Late initial respose (4D shall be sent within 24hrs of notification - MCR), Late corrective action report, failure to close a corrective action by target date (without WPI written authorization for an extension) CAR must reflect all actions implemented. | \$250.00 per incident plus \$50.00 per ea. additional day on past due responses or no response. |
| 15 | Direct material from other suppliers that were scrapped as a result of teardowns caused by the supplier defect. | Cost of component, process X quantity impacted. |
| 16 | Material handling fees/ facility usage/ land fill fee | \$200.00 per incident |
| 17 | Failure to provide notification of IATF16949 - ISO 9001:2015 Certification Suspension, Removal, expiration, or not providing a copy of current registration certificate to the applicable WPI division. | 250 per incident |
| | | Charges listed are in U.S Currency |